

UNITED STATES BANKRUPTCY COURT

MOR-1

CASE NAME: Texas Standard Oil Company
CASE NUMBER: 08-34031-H-11
PROPOSED PLAN DATE: _____

PETITION DATE: 06/26/08 0:00
DISTRICT OF TEXAS: Southern
DIVISION: Region 7

MONTHLY OPERATING REPORT SUMMARY FOR MONTH				SEPT	YEAR 2008
MONTH	JUL-08	AUG-08	30-Sep		
REVENUES (MOR-6)	34,096.85	14,836.81	15,130.21	0.00	0.00
INCOME BEFORE INT; DEPREC. TAX (MOR-6)	-95,323.98	-401,333.82	-41,818.62	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-96,824.45	-402,334.29	-42,293.81	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	7,340.51	93,393.34	11,392.36	0.00	0.00

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED AS OF SIGNATURE DATE **	EXP. DATE	Are all accounts receivable being collected within terms?	Are all post-petition liabilities, including taxes, being paid within terms?	Have any pre-petition liabilities been paid?	If so, describe	Are all funds received being deposited into DIP bank accounts?	Were any assets disposed of outside the normal course of business?	If so, describe	Are all U.S. Trustee Quarterly Fee Payments current?	What is the status of your Plan of Reorganization?	Debtor plans to file a plan of reorganization in Dec 2008
CASUALTY	YES () NO (X)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
LIABILITY	YES () NO (X)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
VEHICLE	YES () NO (X)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
WORKERS	YES () NO (X)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
OTHER	YES () NO (X)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

ATTORNEY NAME: Heather McIntyre
FIRM NAME: HughesWadsworth
ADDRESS: 333 Clay, 29th Floor
CITY, STATE, ZIP: Houston, TX 77002
TELEPHONE/FAX: 713-328-2830 / 713-739-6834

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I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments is true and correct.

SIGNED X Pat Johnson TITLE: Accountant

(ORIGINAL SIGNATURE)

Pat Johnson

(PRINT NAME OF SIGNATORY)

DATE

10/20/08

Revised 07/01/98

* Except for expense reimbursement (approximately \$2,600) from MOSH Holding, LP which is in litigation.
** It is not customary in debtor's business of oil & gas exploration for debtor to carry insurance. Based on information and belief, operators of leases in which debtor has oil and gas interests carry insurance covering the debtor's interest.

CASE NAME: Texas Standard Oil Company
CASE NUMBER: 08-34031-H4-11

COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH Jul-08	MONTH Aug-08	MONTH Sep-08	MONTH Oct-08	MONTH Nov-08	MONTH Dec-08
CURRENT ASSETS							
Cash	37,874.01	62,869.92	35,400.73	27,429.57			
Accounts Receivable, Net	549,835.14	551,714.72	551,718.71	564,875.11			
Inventory: Lower of Cost or Market							
Prepaid Expenses							
Investments							
Other	587,709.15	614,584.64	587,119.44	592,304.68	0.00	0.00	0.00
TOTAL CURRENT ASSETS							
PROPERTY, PLANT & EQUIP. @ COST *	132,336.83	132,336.83	217,536.83	219,118.83			
Less Accumulated Depreciation	69,099.56	70,799.86	72,500.16	74,200.46			
NET BOOK VALUE OF PP & E	63,237.27	61,536.97	145,036.67	144,918.37	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits							
2. Capitalized Office Lease Improvements BV	40,208.40	40,107.40	40,006.40	39,905.40			
3. Electric Deposit							
4. Rent Deposit	4,478.73	4,478.73	4,478.73	4,478.73			
TOTAL ASSETS	\$695,633.55	\$720,707.74	\$776,641.24	\$781,607.18	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs as amended

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* Does not include drilling costs as these costs are expensed and therefore not shown on the Balance Sheet.
Includes Undeveloped Leasehold, capitalized Geological & Geophysical (seismic) and Lease & Well Equipment & estimated IDC for Thumbs Up.

CASE NAME: Texas Standard Oil Company
CASE NUMBER: 08-34031-H4-11

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH Jul-08	MONTH Aug-08	MONTH Sep-08	MONTH Oct-08	MONTH Nov-08	MONTH Dec-08
LIABILITIES	06/26/08 0:00						
POST-PETITION LIABILITIES(MOR-4)		121,907.97	530,074.96	577,435.51	0.00	0.00	0.00
PRE-PETITION LIABILITIES							
Notes Payable - Secured	0.00	0.00					
Priority Debt	21,900.00	21,900.00	21,900.00				
Federal Income Tax	0.00	0.00					
FICA/Withholding	0.00	0.00					
Unsecured Debt *	1,346,966.55	1,346,957.22	1,346,957.22	1,346,957.22			
Other							
TOTAL PRE-PETITION LIABILITIES *	1,368,866.55	1,368,857.22	1,368,857.22	1,368,857.22	0.00	0.00	0.00
TOTAL LIABILITIES	1,368,866.55	1,490,765.19	1,898,932.18	1,946,292.73	0.00	0.00	0.00
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL	1,680.67	1,680.67	51,680.67	51,680.67			
RETAINED EARNINGS: Filing Date	(674,913.67)	(674,913.67)	(674,913.67)	(674,913.67)			
RETAINED EARNINGS: Post Filing Date	(96,824.45)	(96,824.45)	(499,158.74)	(541,452.55)			
TOTAL OWNER'S EQUITY (NET WORTH)	(673,233.00)	(770,057.45)	(1,122,391.74)	(1,164,685.55)	0.00	0.00	0.00
TOTAL LIABILITIES & OWNER'S EQUITY	\$695,633.55	\$720,707.74	\$776,540.44	\$781,607.18	\$0.00	\$0.00	\$0.00

* Per Schedules and Statement of Affairs

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* Judgments are not included in this statement as they are encompassed by Joint Interest Billing Statements (which amounts are included).

CASE NAME: Texas Standard Oil Company
CASE NUMBER: 08-34031-H4-11

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH Jul-08	MONTH Aug-08	MONTH Sep-08	MONTH Oct-08	MONTH Nov-08	MONTH Dec-08
TRADE ACCOUNTS PAYABLE	121,661.17	529,581.36	576,703.07			
TAX PAYABLE						
Federal Payroll Taxes	0.00					
State Payroll Taxes	0.00					
Ad Valorem Taxes	0.00					
Other Taxes	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TAXES PAYABLE						
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE	246.80	493.60	732.44			
ACCRUED PROFESSIONAL FEES*						
OTHER ACCRUED LIABILITIES						
1.						
2.						
3.						
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$121,907.97	\$530,074.96	\$577,435.51	\$0.00	\$0.00	\$0.00

*Payment requires Court Approval

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CASE NAME: Texas Standard Oil Company
CASE NUMBER: 08-34031-H4-11

AGING OF POST-PETITION LIABILITIES
MONTH Sep-08

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	48,351.56	48,351.56	0.00	0.00	0.00	
31-60	407,454.55	407,454.55	0.00	0.00	0.00	
61-90	120,896.96	120,896.96	0.00	0.00	0.00	
91+	0.00		0.00	0.00	0.00	
TOTAL	\$576,703.07	\$576,703.07	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	Aug-08					
0-30 DAYS	15,587.60					
31-60 DAYS						
61-90 DAYS						
91+ DAYS	549,287.51					
TOTAL	\$564,875.11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CASE NAME: Texas Standard Oil Company
CASE NUMBER: 08-34031-H4-11

STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
	Jul-08	Aug-08	Sep-08				
REVENUES (MOR-1)	34,096.85	14,836.81	15,130.21				64,063.87
TOTAL COST OF REVENUES	123,001.33	408,833.58	45,720.52				577,555.43
GROSS PROFIT	-88,904.48	-393,996.77	-30,590.31	0.00	0.00	0.00	-513,491.56
OPERATING EXPENSES:							0.00
Selling & Marketing							24,984.86
General & Administrative	6,419.50	7,337.05	11,228.31				0.00
Insiders Compensation							0.00
Professional Fees							0.00
Other							0.00
Other	6,419.50	7,337.05	11,228.31	0.00	0.00	0.00	24,984.86
TOTAL OPERATING EXPENSES	-95,323.98	-401,333.82	-41,818.62	0.00	0.00	0.00	-538,476.42
INCOME BEFORE INT, DEPR/TAX (MOR-1)	246.80	246.80	238.84				732.44
INTEREST EXPENSE	1,801.30	1,801.30	1,801.30				5,403.90
DEPRECIATION	-547.63	-1,047.63	-1,564.95				-3,160.21
OTHER (INCOME) EXPENSE*							0.00
OTHER ITEMS**							0.00
TOTAL INT, DEPR & OTHER ITEMS	1,500.47	1,000.47	475.19	0.00	0.00	0.00	2,976.13
NET INCOME BEFORE TAXES	-96,824.45	-402,334.29	-42,293.81	0.00	0.00	0.00	-541,452.55
FEDERAL INCOME TAXES							0.00
NET INCOME (LOSS) (MOR-1)	(\$96,824.45)	(\$402,334.29)	(\$42,293.81)	\$0.00	\$0.00	\$0.00	(\$541,452.55)

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Footnote Mandatory.

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

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• Rent reimbursement

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CASE NAME: Texas Standard Oil Company
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	MONTH		MONTH		MONTH		MONTH		MONTH		FILING TO DATE
	JUL-08	AUG-08	SEP-08								
CASH RECEIPTS AND DISBURSEMENTS											
1. CASH-BEGINNING OF MONTH	\$37,816.15	\$62,869.92	\$35,290.73								\$37,816.15
RECEIPTS:											
2. CASH SALES	31,846.63	14,766.52	1,883.57								48,496.74
3. COLLECTION OF ACCOUNTS RECEIVABLE	547.63	1,047.63	1,547.63								3,142.89
4. LOANS & ADVANCES (attach Est)	0.00										0.00
5. SALE OF ASSETS	0.00										0.00
6. OTHER (attach list) ****	0.00	50,000.00									50,000.00
TOTAL RECEIPTS**	32,394.28	65,814.15	3,431.20								101,639.63
(Withdrawal) Contribution by Individual Debtor MFR-2*											0.00
DISBURSEMENTS:											
7. NET PAYROLL	0.00										0.00
8. PAYROLL TAXES PAID	0.00										0.00
9. SALES, USE & OTHER TAXES PAID	0.00										0.00
10. SECURED/RENTAL/LEASES	4,631.39	5,001.02	7,756.44								17,388.85
11. UTILITIES & TELEPHONE	279.40	1,244.77	487.53								2,011.70
12. INSURANCE											0.00
13. INVENTORY PURCHASES											0.00
14. VEHICLE EXPENSES	644.51		481.84								1,126.35
15. TRAVEL & ENTERTAINMENT	1,460.21	805.77	126.31								2,392.29
16. REPAIRS, MAINTENANCE & SUPPLIES		1,141.78	2,540.24								3,682.02
17. ADMINISTRATIVE & SELLING		85,200.00									85,200.00
18. OTHER (attach list) ****	7,015.51	93,393.34	11,392.36								111,801.21
TOTAL DISBURSEMENTS FROM OPERATIONS											0.00
19. PROFESSIONAL FEES											325.00
20. U.S. TRUSTEE FEES	325.00										0.00
21. OTHER REORGANIZATION EXPENSES (attach list)	7,340.51	93,393.34	11,392.36								112,126.21
TOTAL DISBURSEMENTS**	25,053.77	-27,579.19	-7,961.16								-10,486.58
22. NET CASH FLOW	\$62,869.92	\$35,290.73	\$27,329.57								\$27,329.57
23. CASH - END OF MONTH (MOR-2)											

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* Applies to individual debtors only
**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

MOR-7

*** Capital Contributions:

Tim Roberson	24,895
Idyllette Roberson	60
Chip Langston	12,150
Lujan Langston	8,100
Charles Sharman	4,695
	50,000

85,200

**** Thumbs Up IDC

CASE NAME: Texas Standard Oil Company
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CASH ACCOUNT RECONCILIATION MONTH OF Sep-08

BANK NAME	Encore Bank	#	Encore Bank		
ACCOUNT NUMBER	#30323489		#30323497		
ACCOUNT TYPE	OPERATING		TAX		
BANK BALANCE	38,721.93			100.00	
DEPOSITS IN TRANSIT					
OUTSTANDING CHECKS	15,024.01				
ADJUSTED BANK BALANCE	\$23,697.92		\$0.00	\$100.00	\$0.00
BEGINNING CASH - PER BOOKS	35,290.73			110.00	\$15,024.01
RECEIPTS*	3,431.20				\$23,797.92
TRANSFERS BETWEEN ACCOUNTS					\$35,400.73
(WITHDRAWAL) OR CONTRIBUTION BY					\$3,431.20
INDIVIDUAL DEBTOR MFR-2					\$0.00
CHECKS/OTHER DISBURSEMENTS*	11,392.36			10.00	
ENDING CASH - PER BOOKS	\$27,329.57		\$0.00	\$100.00	\$11,402.36
					\$27,429.57

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*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

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CASE NAME: Texas Standard Oil Company
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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	Jul-08	Aug-08	Sep-08			
1.	0.00	0.00	0.00			
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.	0.00	0.00	0.00			
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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